

# **CORRECTED FISCAL NOTE**

## **HB 650 - SB 743**

March 9, 2007

**SUMMARY OF BILL:** Requires the CoverKids program to offer dental coverage as part of the benefits package after January 1, 2008 and makes parents of enrollees to the CoverKids program eligible for benefits as long as the family's income is less than 250% of the federal poverty level.

### **ESTIMATED FISCAL IMPACT:**

On February 27, 2007, we issued a fiscal note on this bill indicating *an increase in state expenditures exceeding \$3,036,000 and an increase in federal expenditures exceeding \$9,107,000. A more precise cost estimate was not possible because the Department of Finance and Administration had not provided any information to assist in the preparation of the fiscal note.* Based on additional information received from the Department of Finance and Administration, the fiscal impact of the bill is as follows:

#### **(Corrected)**

**Increase State Expenditures – \$220,178,300 FY 08  
\$329,451,900 FY 09**

**Other Fiscal Impact-Increase Federal Expenditures – \$4,434,800 FY 08  
\$6,635,700 FY 09**

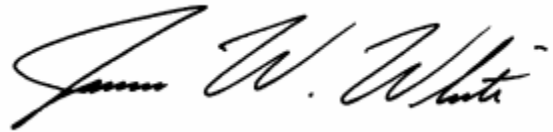
#### Assumptions:

- It is assumed that there will be 27,000 children in year one and 40,400 children in year two.
- The dental benefits are estimated to include: one exam every six months not to exceed two in a year, bitewing x-rays once in 12 months, sealants, simple extractions, pulpotomy, filling, and emergency treatment for dental pain.
- Based on SCHIP plans in other states, it is estimated that there will be an increase in expenditures of \$18.25 per child per month. The increase in expenditures for FY 07-08 will be \$5,913,000 and \$8,847,600.

- The state is receiving a 75% federal match for the operational expenses of the CoverKids program. Such will result in an increase in state expenditures for FY 07-08 of \$1,478,250 and \$2,211,900 in FY 08-09. The increase in federal expenditures will be \$4,434,570 in FY 07-08 and \$6,635,700 in FY 08-09.
- The estimated population of parents is 40,500 in year one and 60,600 in year two.
- It is estimated that each parent would increase expenditures \$450 per month which is based on the premium for a single state employee health plan medical benefit package.
- Such will result in an increase in state expenditures for FY 07-08 of \$218,700,000 and \$327,240,000 in FY 08-09. The state will not qualify for a federal match rate to provide the benefits to the parents.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director